

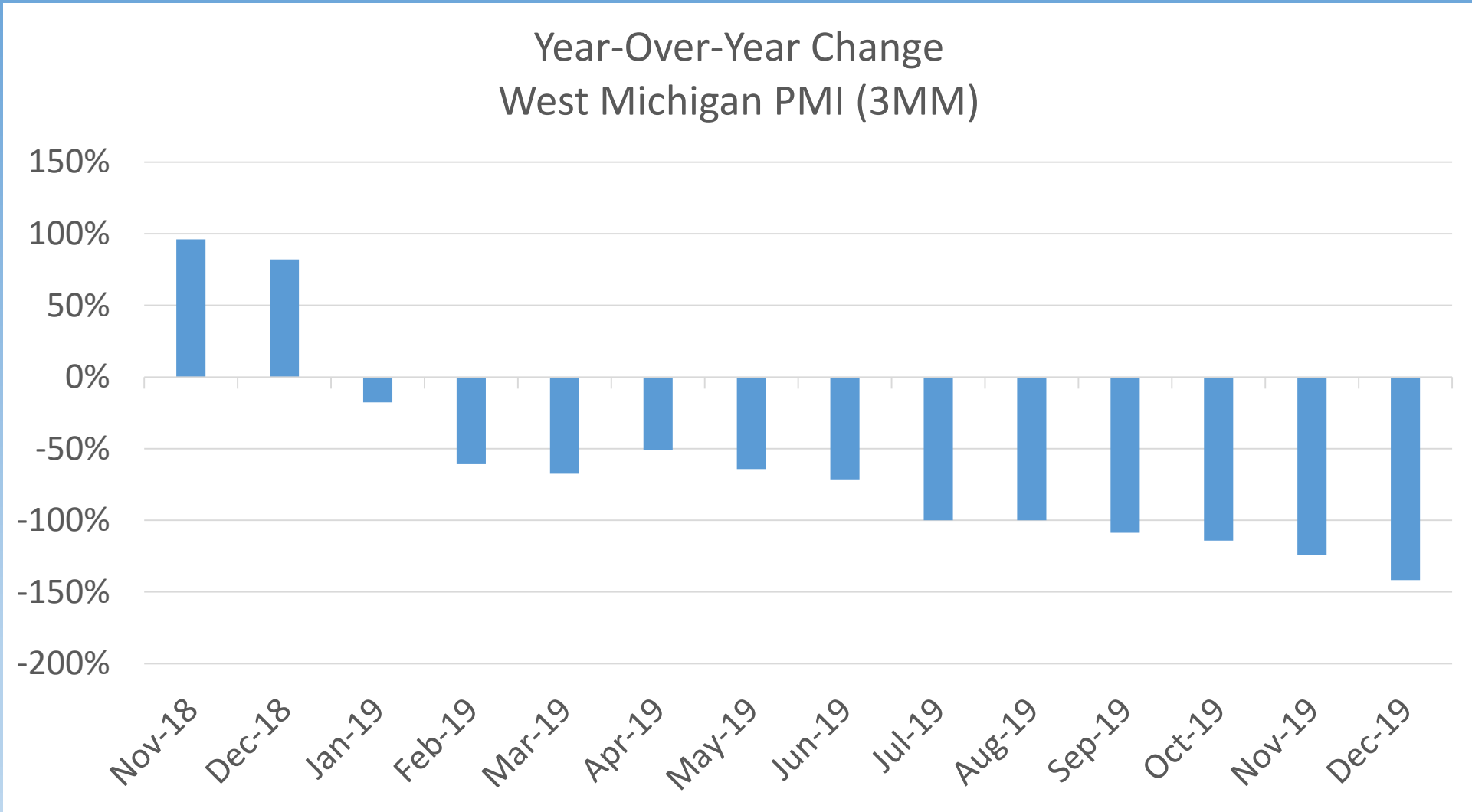
A View of the Economic Tides During 2019-2020

Dr. Paul Isely

The Economic Wave Has Crested,
But The Trough That Follows Is
Not Expected to be Steep

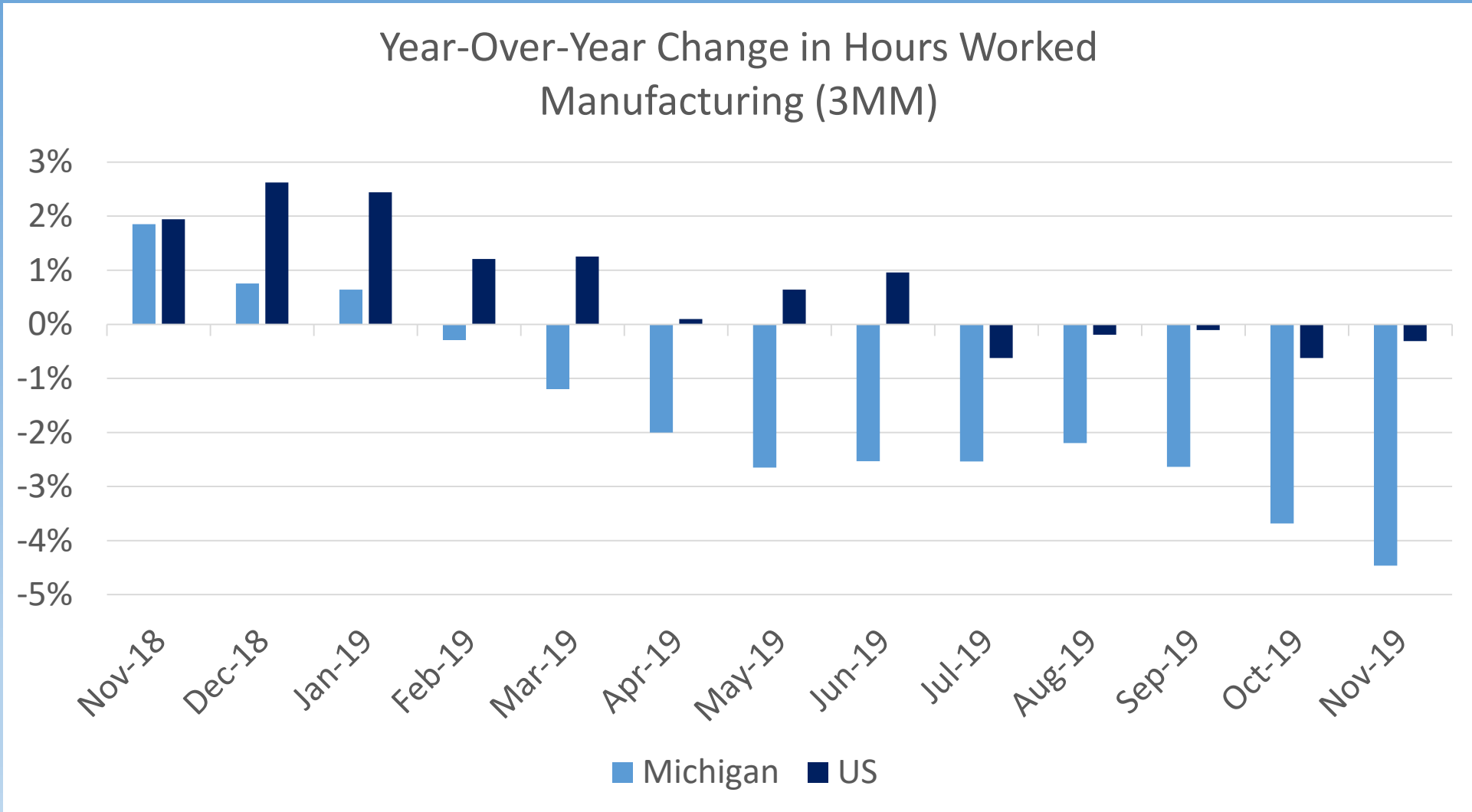
Did The Economic Wave Crest
During 2019?

New Orders Have Slowed



Source: GVSU
Supply Chain

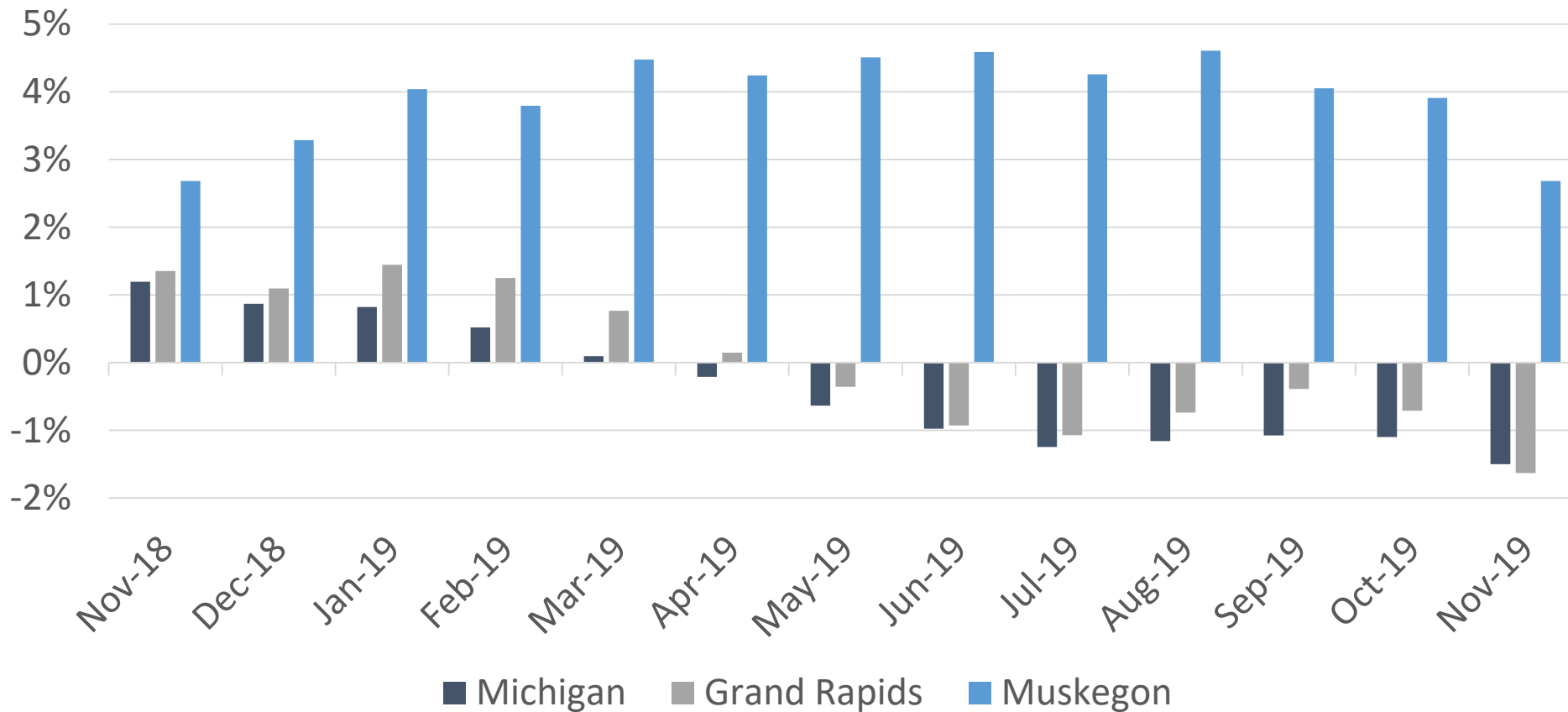
Manufacturing Recession?



Source: BLS
CES Survey –
Transformations:
P. Isely

Slowing The Rest Of The Economy?

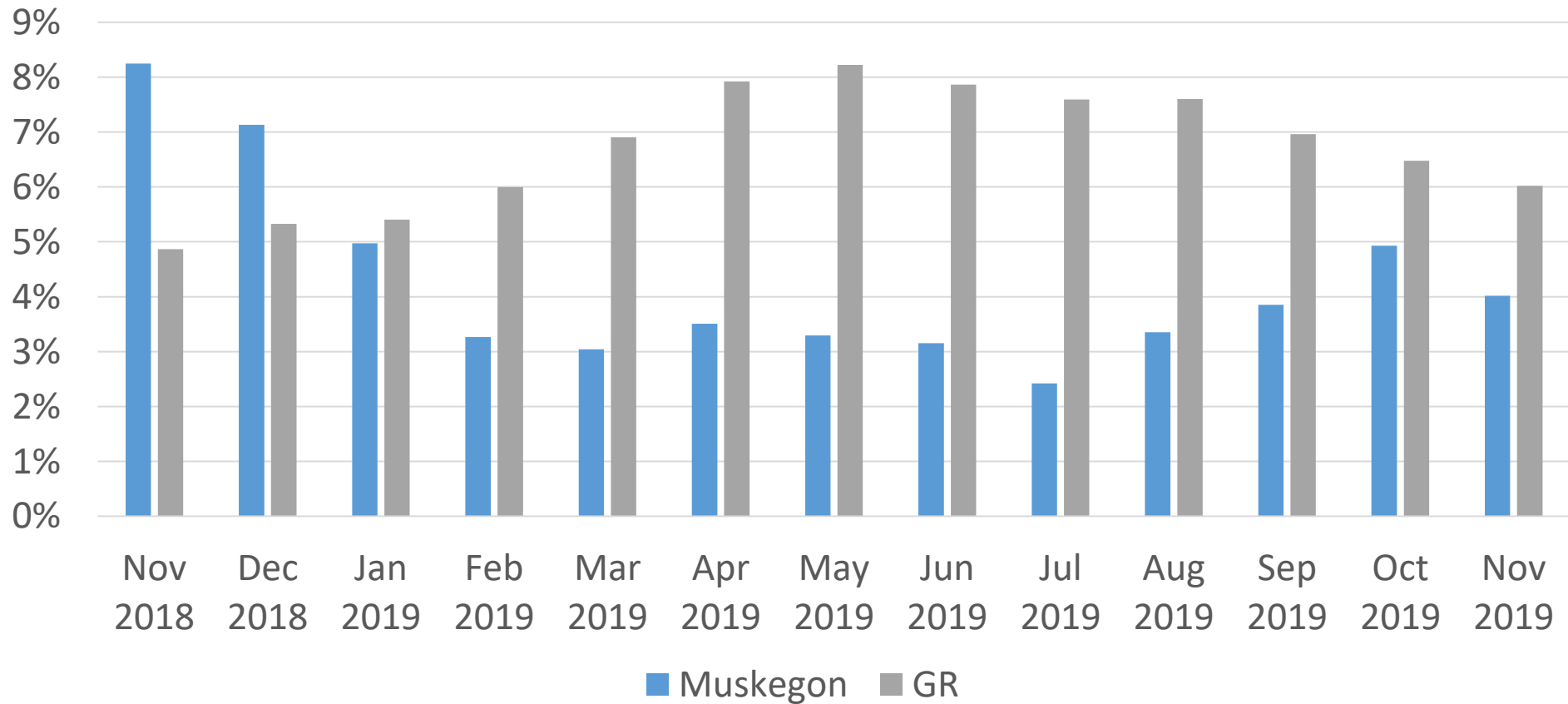
Year-Over-Year Change in Hours Worked
All Private Jobs (3MM)



Source: BLS
CES Survey –
Transformations
P. Isely

Wage Growth Has Crested

Year-Over-Year Change in Hourly Wages
All Private Jobs (3MM)

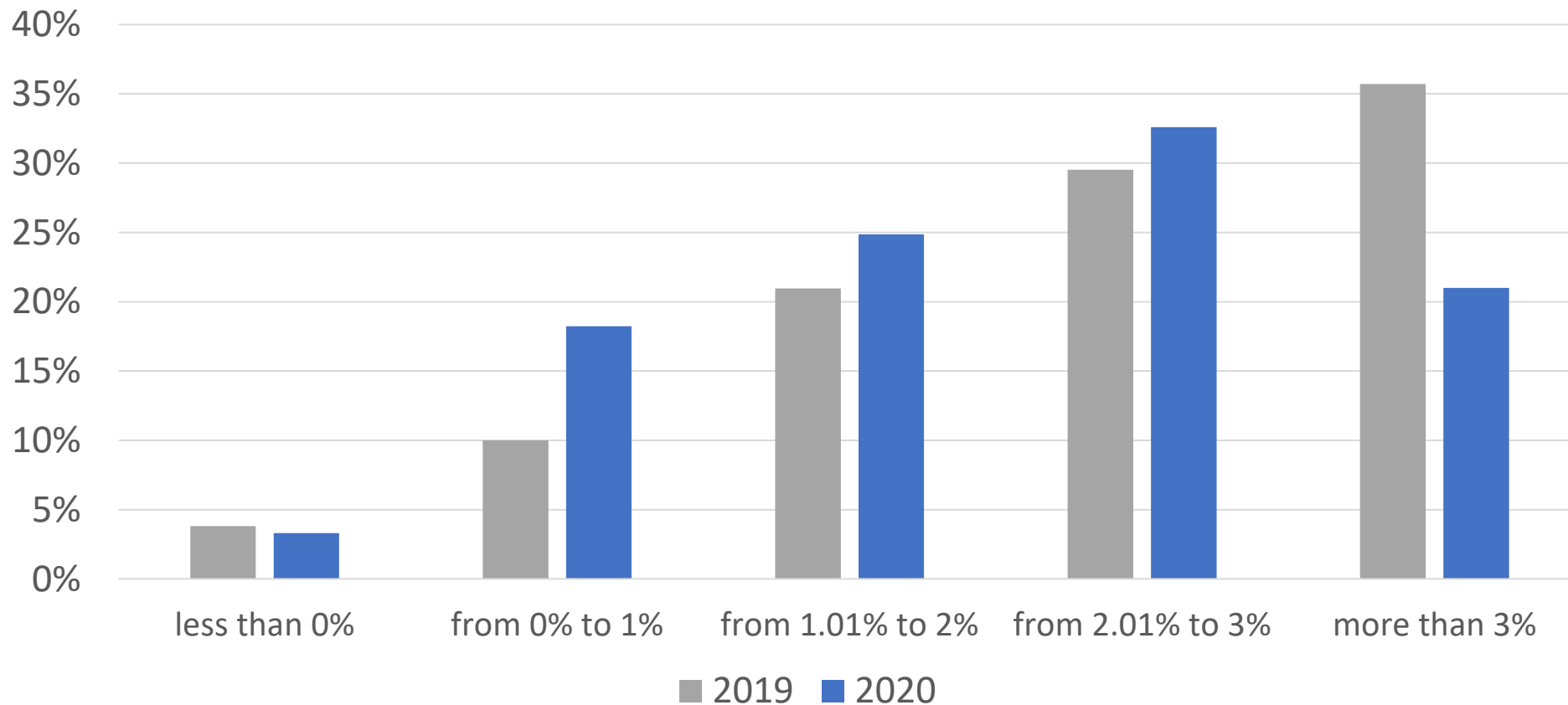


Source: BLS
CES Survey –
Transformations:
P. Isely

Will The Tide Turn During 2020?

Sales Expectations Weakening – West Michigan

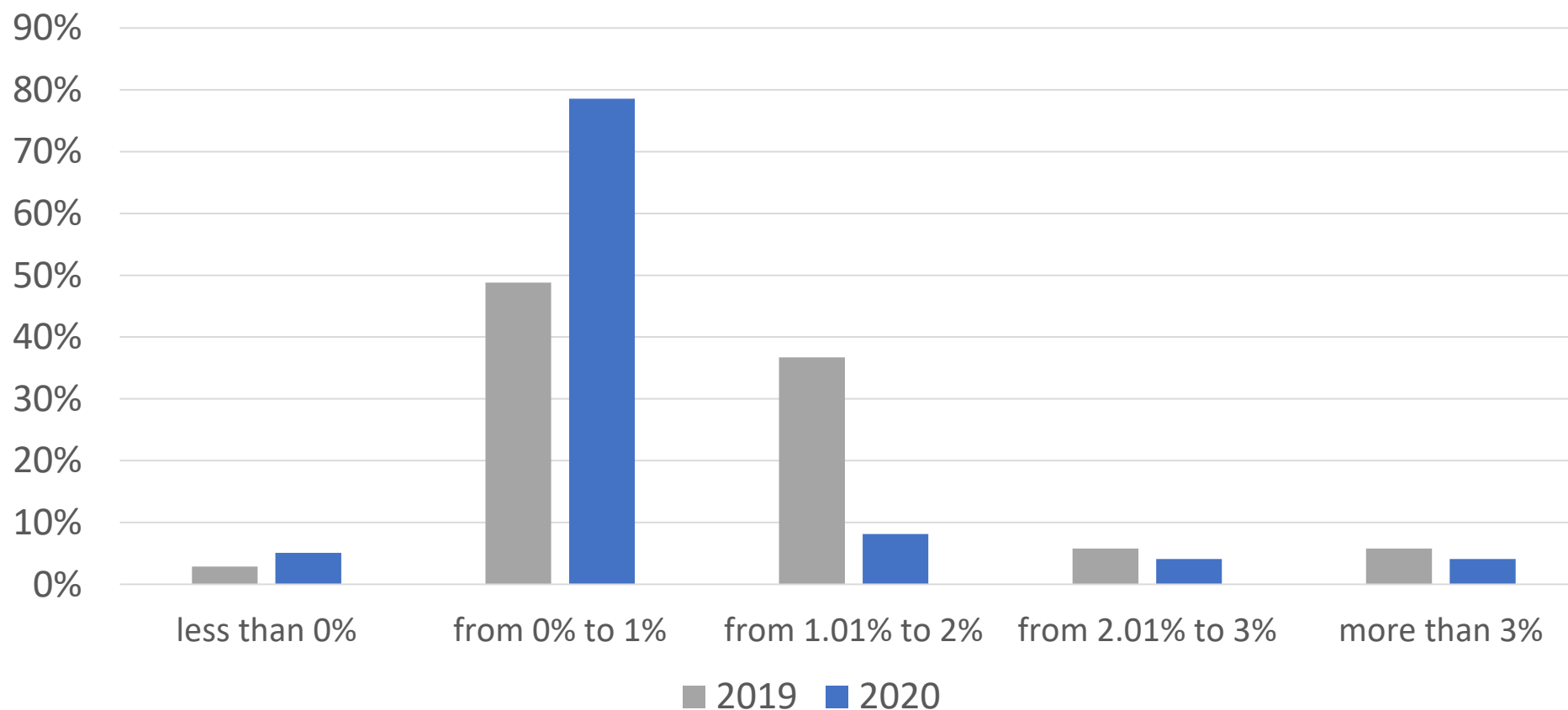
Anticipated Change in Sales
2020 vs 2019 Expectations



Source: GVSU
Survey – P. Isely

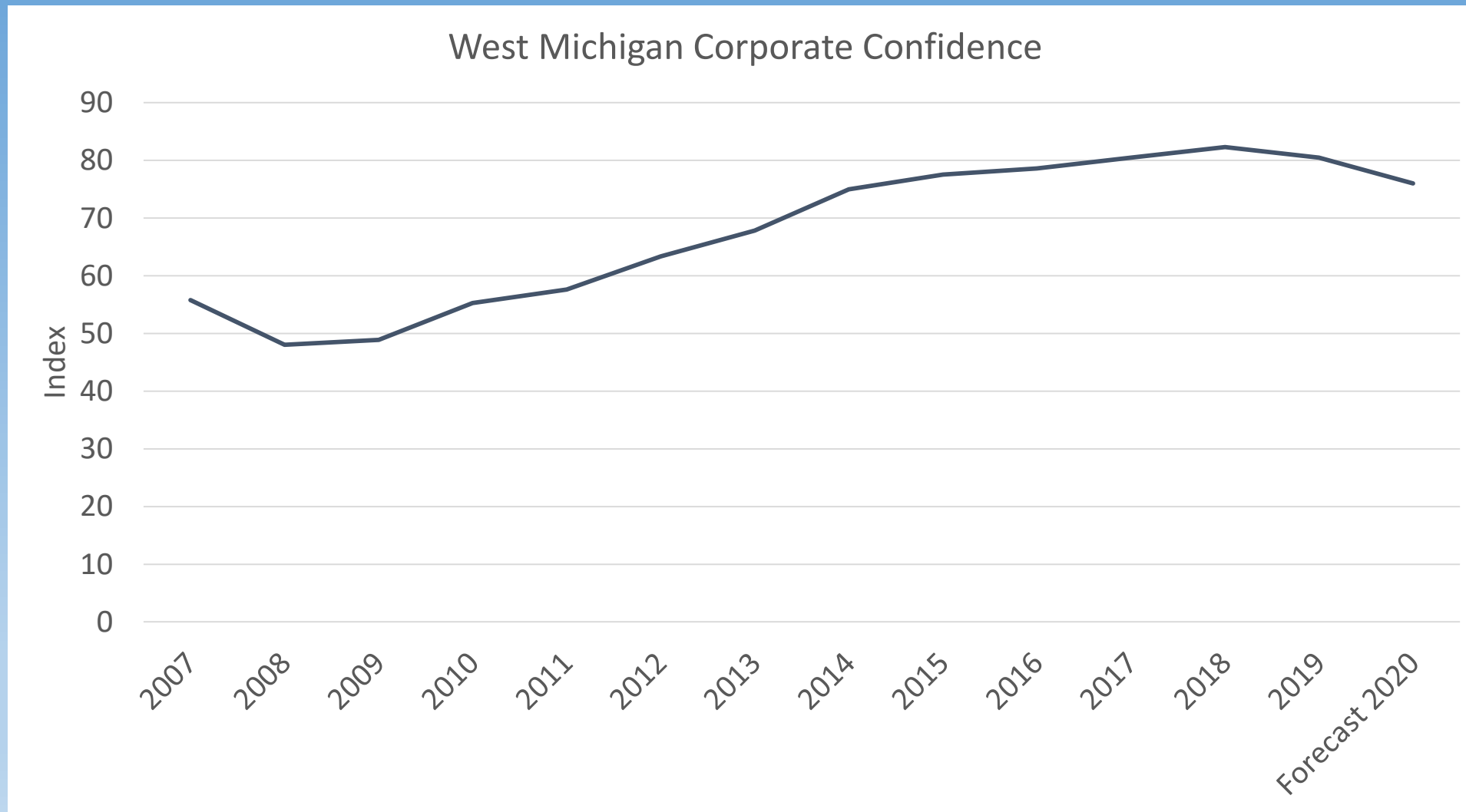
Fewer New Workers Needed In West Michigan

Anticipated Change in Employment
2020 vs 2019 Expectations



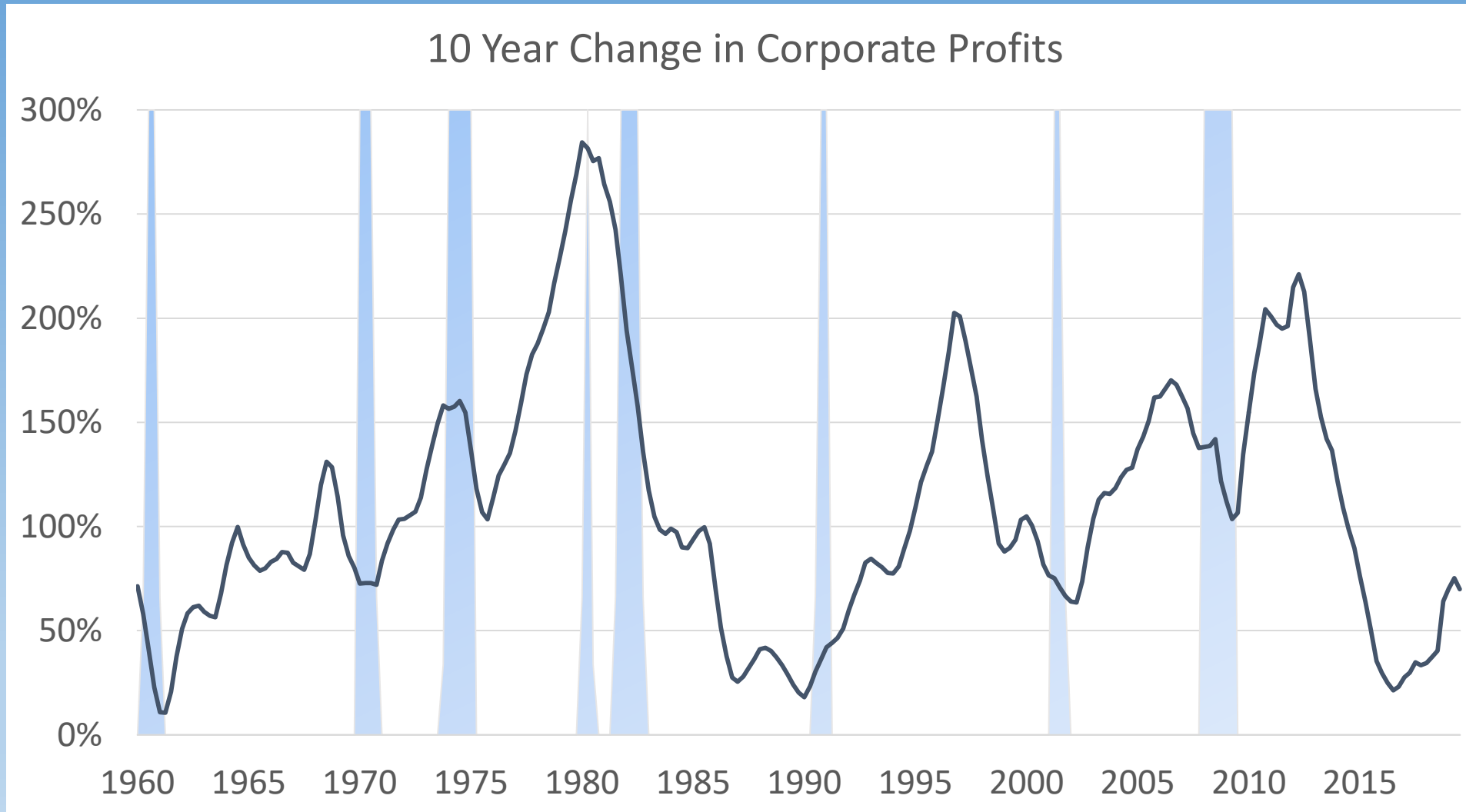
Source: GVSU
Survey – P. Isely

West Michigan Confidence Has Crested



Source: GVSU
Survey – P. Isely

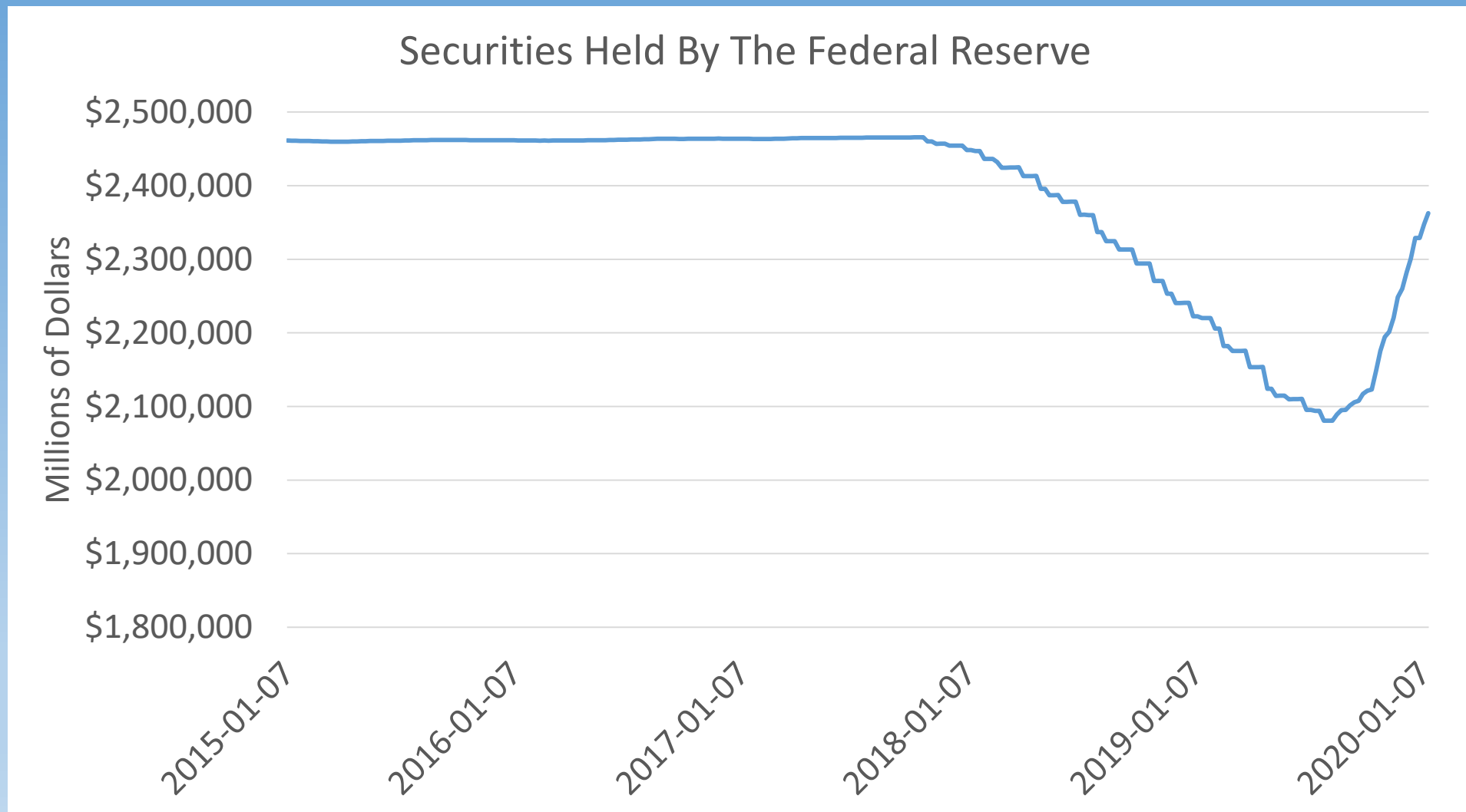
Corporate Profits Slowing



Source: BEA –
Transformations:
P. Isely

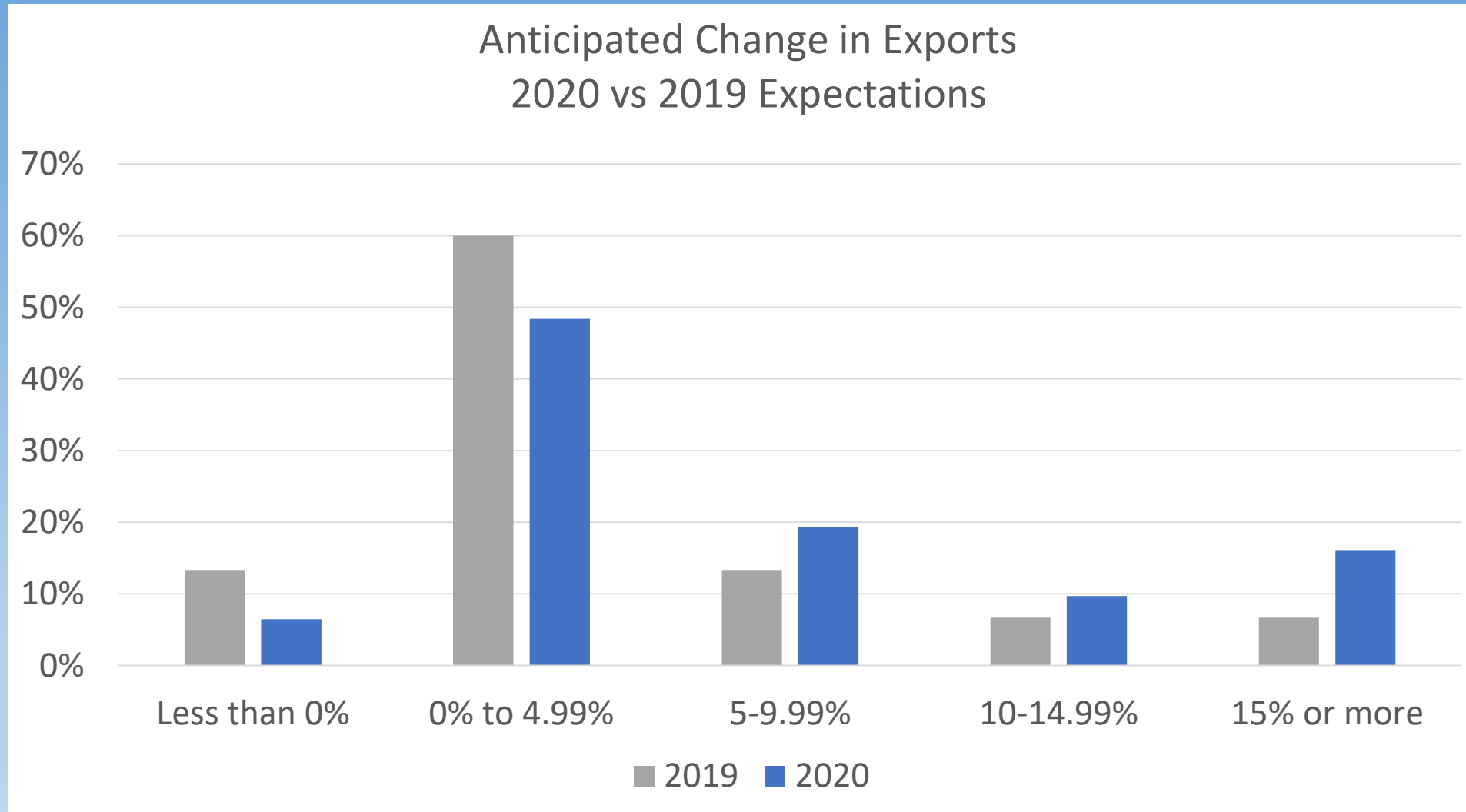
A New Wave Building?

Federal Reserve - Easing



Source: Federal Reserve Board of Governors

Trade Expectations - Cautious

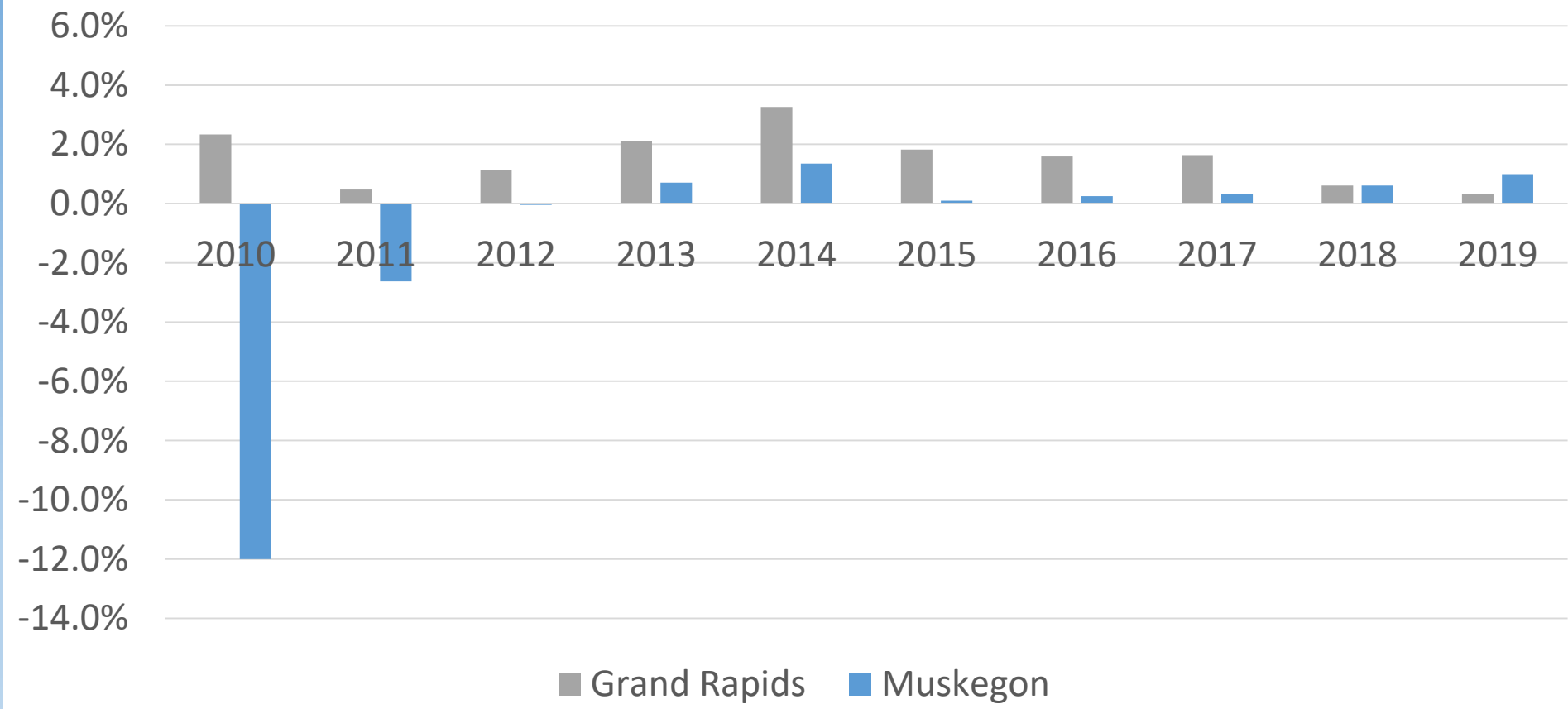


Source: GVSU
Survey – P. Isely

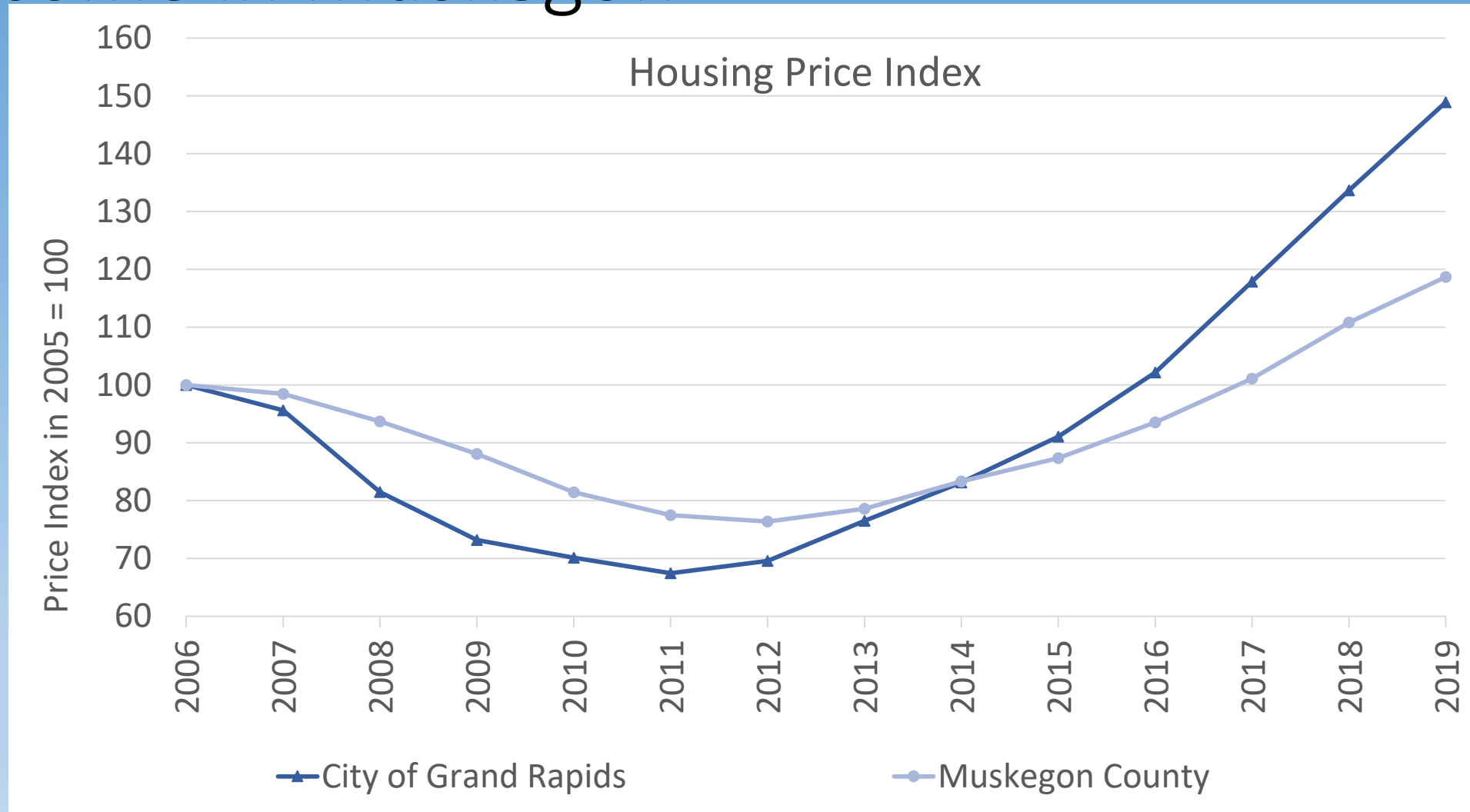
Muskegon Availability of Workers Increasing

Grand Rapids MSA and Muskegon MSA
Growth in Labor Force

Source: BLS – P. Isely



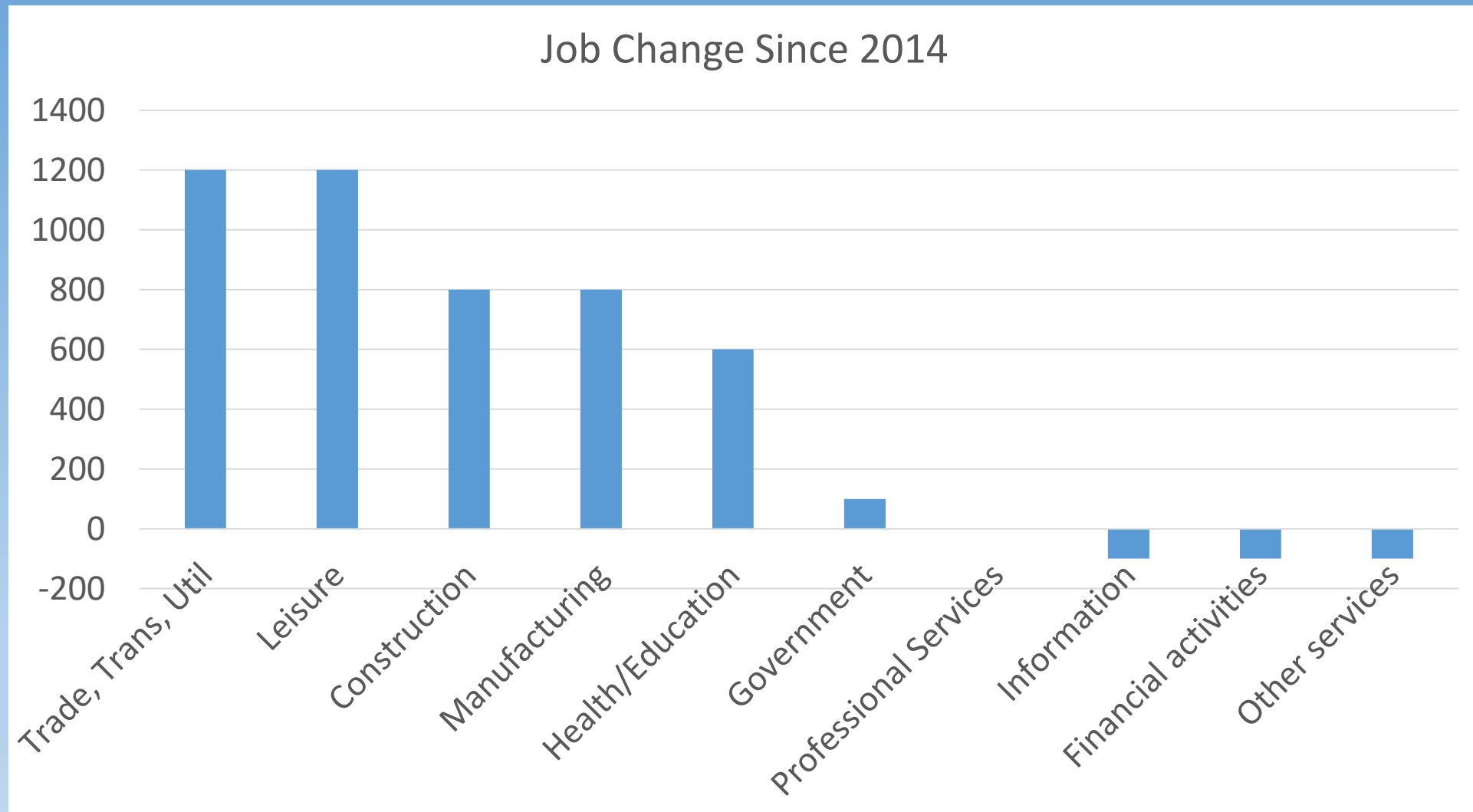
Housing Prices Starting to Rise Faster than Income in Muskegon



Source: L. Ogura
And P. Isely

What is Unique to Muskegon

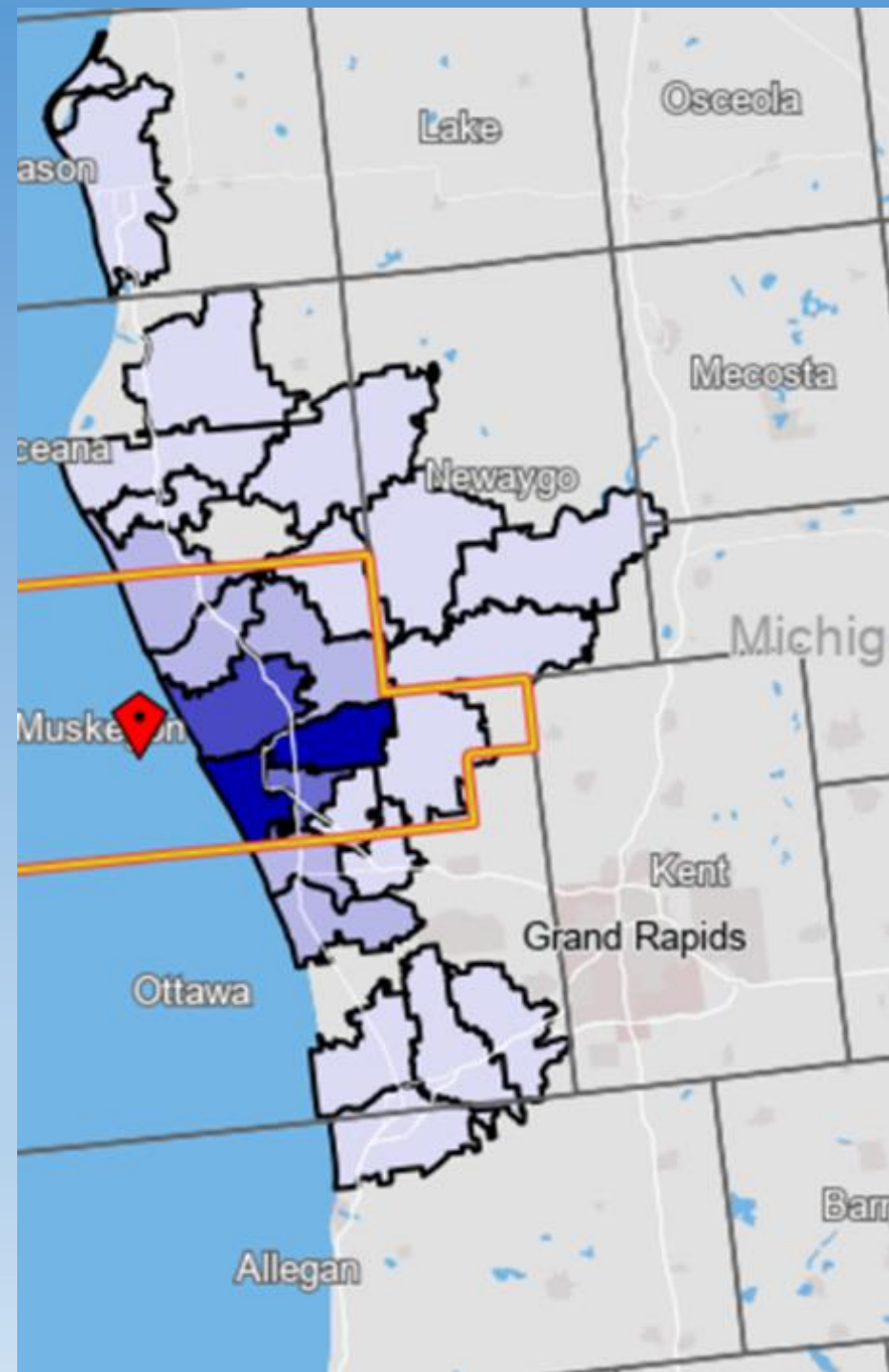
Jobs Moving Away from Manufacturing



Source: BLS – P. Isely

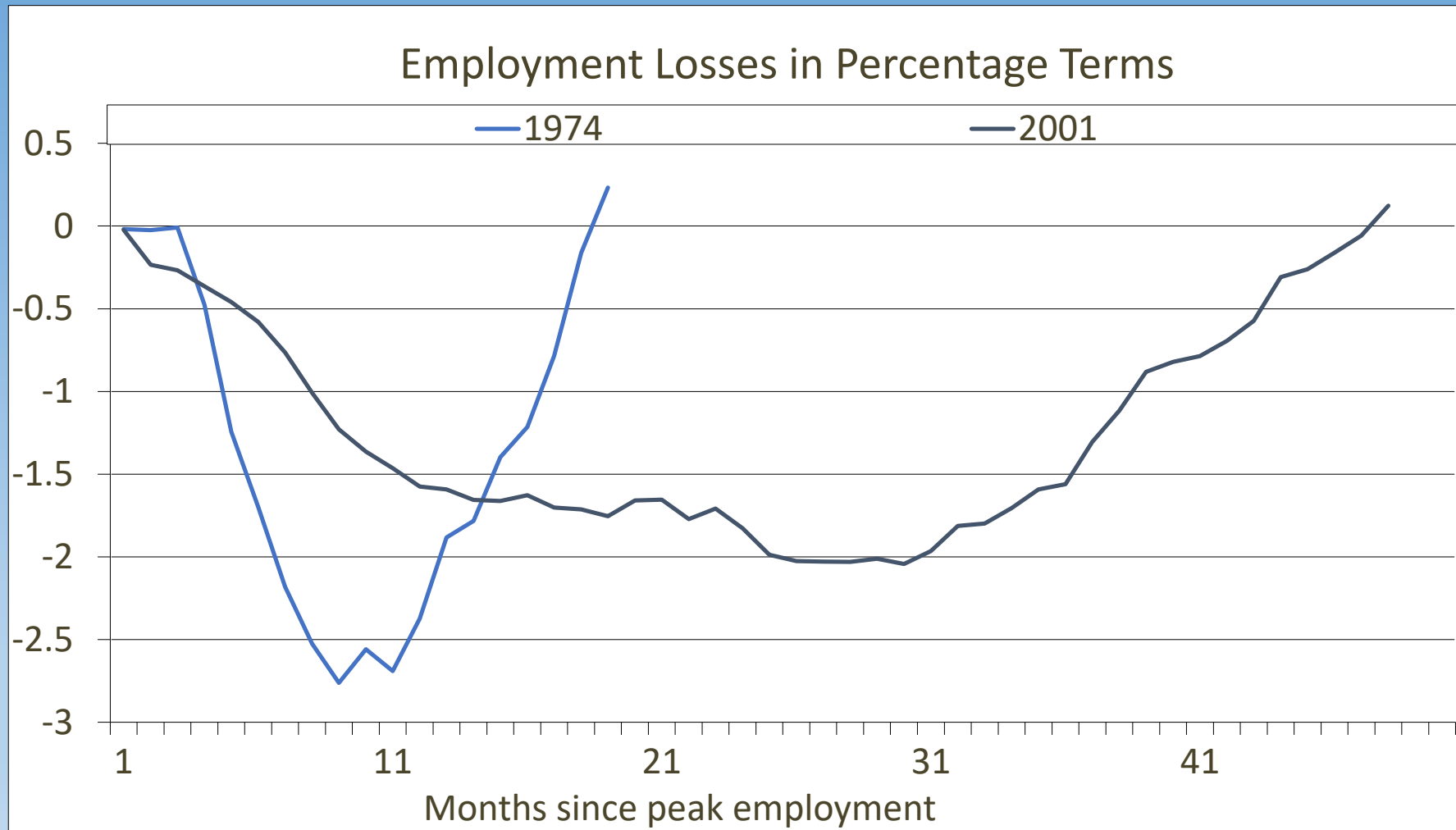
Where You Work

- Top 25 Zip Codes People Living in Muskegon Go to Work
- Grand Rapids Is Not in Top 25



Source: On the Map

Recessions Have Changed Because of Strategy



Source: BLS

Take Away Ideas

- We are already in a limited “recession” in some sectors of our economy – primarily in manufacturing
- Muskegon has outperformed Michigan and Grand Rapids in Hours Worked
- Muskegon has underperformed Michigan and Grand Rapids in Wage Growth
- 2020 will continue the trend seen in 2019 of a general slowdown that could broaden into a wider recession
- There are too few workers to support strong growth across West Michigan
- Transactional workers need to move up the value chain to be prepared for a deeper slowdown.

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